

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2574 - SB 2542

March 5, 2010

SUMMARY OF BILL: Prohibits any hospital record that is being stored or is intended to be stored in an electronic database or electronically transmitted from including a person's social security number.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$600,000 /One-Time

Other Fiscal Impact – The Department of Health could be in jeopardy of losing federal grant funds exceeding \$756,500 because the Department will not be able to submit data linked to other datasets that contain birth, death, and hospital claims data.

Assumptions:

- According to the Departments of Health and Mental Health and Developmental Disabilities, a patient's social security number (SSN) is currently the only unique patient identifier in their systems.
- According to the Department of Health, any federal grant funding that requires submission of data that is dependent upon linking other datasets with birth data or hospital claims data could be jeopardized. The Department currently receives funds through the Social Security Administration for Enumeration at Birth and death data in an amount which exceeds \$200,000 and a cancer reporting grant through the Centers for Disease Control and Prevention, Cancer Prevention and Control of \$556,471.
- According to the Department of Health, current databases and electronic systems will need to be modified to remove SSNs from systems that maintain information regarding patient activity resulting in a one-time increase in expenditures of \$100,000.

- According to the Department of Mental Health and Developmental Disabilities, the regional mental health institutes will incur an increase in expenditures to modify existing information systems to remove SSNs. It is estimated that it would take 4,000 man-hours to redesign, reprogram, test and implement the revised system resulting in an increase in one-time expenditures of \$500,000 at a rate of \$125 per hour (4,000 x \$125).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

/kml